

MONTANA Economy at a Glance

MARCH 2009

EMPLOYMENT BY INDUSTRY

(Does not include self-employed or agricultural employment)

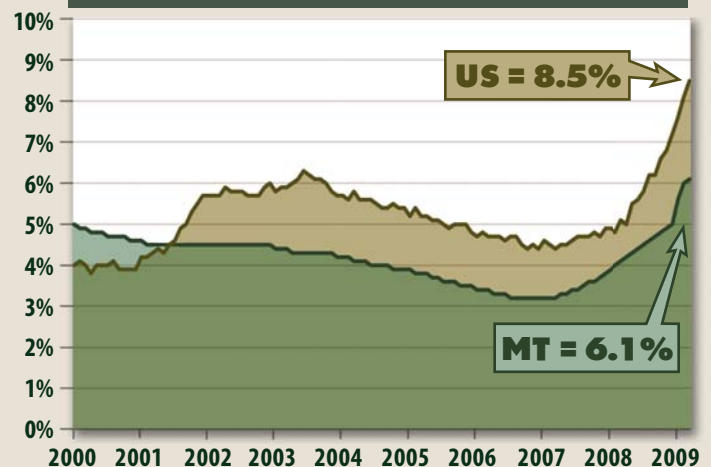
Industry Employment (in thousands)	Mar.(P) 2009	Feb. 2009	Net Change	Percent Change
Total Non-Agricultural	438.7	441.7	-3.0	-0.7%
Natural Resources & Mining	8.2	8.1	0.1	1.2%
Construction	25.8	27.2	-1.4	-5.1%
Manufacturing	19.2	19.3	-0.1	-0.5%
Trade, Transportation, & Utilities	89.9	90.7	-0.8	-0.9%
Information	7.3	7.2	0.1	1.4%
Financial Activities	22.2	22.2	0.0	0.0%
Professional & Business Services	38.5	38.9	-0.4	-1.0%
Education & Health Services	62.8	63.1	-0.3	-0.5%
Leisure & Hospitality	59.1	59.6	-0.5	-0.8%
Other Services	16.5	16.3	0.2	1.2%
Total Government	89.2	89.1	0.1	0.1%

(P) denotes preliminary figures

Montana's seasonally-adjusted, non-agricultural payroll employment decreased by 3,000 jobs (-0.7%) from February to March 2009. The Construction sector experienced the largest loss, with a decrease of 1,400 jobs (-5.1%). Employment in the Trade, Transportation, and Utilities sector decreased by 800 jobs (-0.9%) over the month.

UNEMPLOYMENT RATE

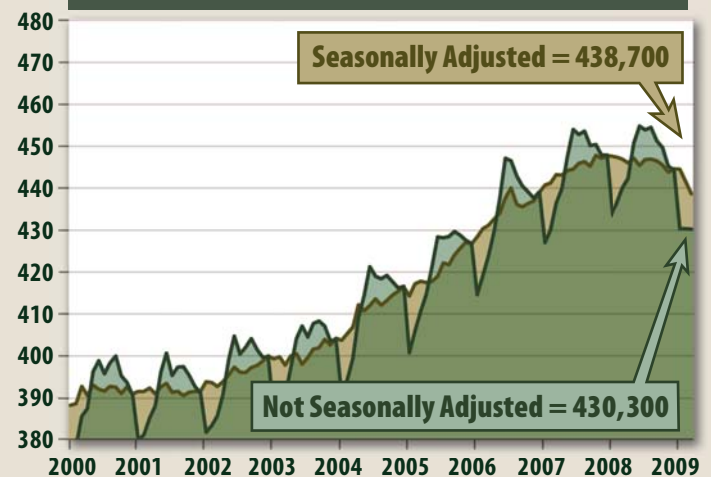
Seasonally Adjusted



Montana's seasonally-adjusted unemployment rate increased slightly to 6.1% for March 2009 from 6.0% in February. The national rate also rose over the month, increasing from 8.1% to 8.5% over the month.

NON-FARM EMPLOYMENT

In Thousands



Research and Analysis Bureau

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Labor Availability in Montana: An Overview

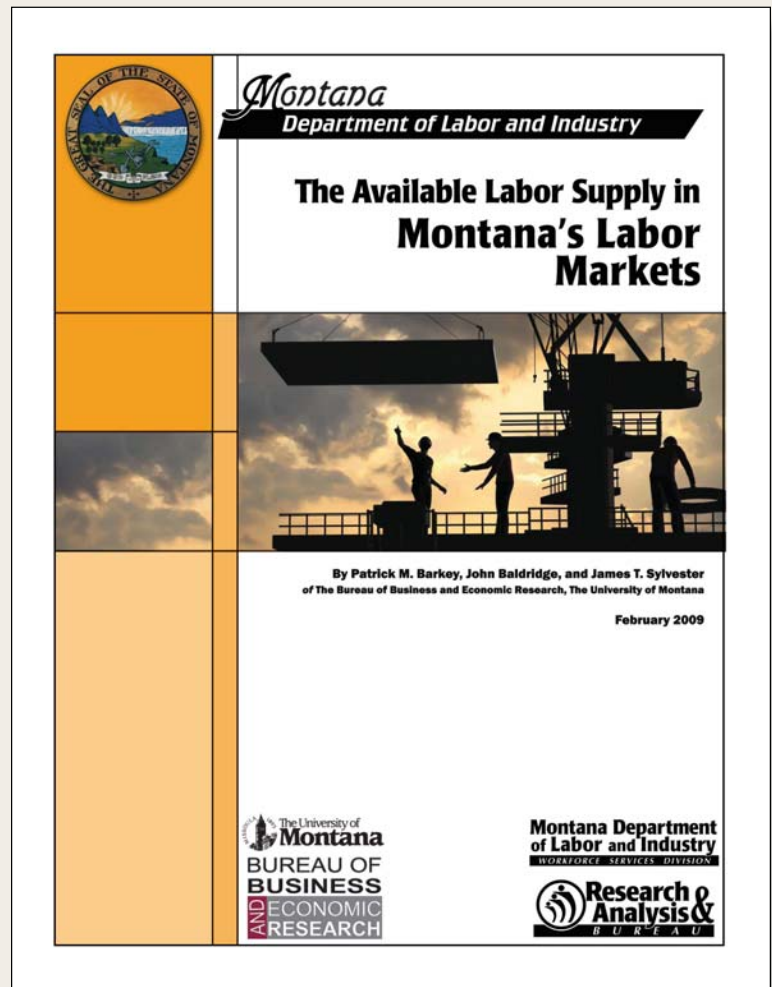
by Barbara Wagner, Economist

The Montana Department of Labor and Industry recently released a report titled “The Available Labor Supply in Montana’s Labor Markets,” which was completed in partnership with the University of Montana’s Bureau of Business and Economic Research (BBER). The Montana Labor Availability Study (MLAS) found that there are 261,000 adults in Montana that could be available for new job opportunities, and almost a third of adults are willing to consider a different job. The report is based on data gathered in 2008 by a telephone survey to over 6,200 people with working landlines and cell phones. The report is similar to a BBER labor market survey conducted in 2002 and includes data on labor market status, availability, training, and other information of relevance to current and future employers.

It may seem odd to release a report on available labor during this period of high unemployment; businesses can easily find workers among those who have recently been laid off due to economic conditions. However, the recession will be temporary, and one of the largest challenges being faced by Montana’s economy in the long term is the shortage of workers that will occur as the baby boom population retires. Starting in 2013, the working-age population (ages 18-65) in Montana will start to decline, meaning that there will be

fewer and fewer workers for Montana’s businesses unless there are significant changes to labor force participation rates.

Further, the labor force statistics published by the Montana Department of Labor are designed to measure current labor market conditions and changes in the economy, and therefore, the statistics track the current equilibrium between the supply of labor and the demand for labor. However, the statistics do not do a good job of provid-





ing information on the supply of labor outside of the equilibrium point, which is crucial information for economic developers interested in bringing new businesses to our state. For example, if a new call center business was established in Montana and demanded 100 new customer service workers, would there be a sufficient supply of workers willing to fill these jobs? The MLAS answers these questions by gathering information on the demographics and interests of Montana workers. The MLAS questioned workers on which industries the worker wants to work in, whether the worker is trained for the position or for a different line of work, whether the worker has received job training, and what it would take to convince the worker to move from a job in a declining industry to a new job in an emerging industry.

The study also includes important information for the Department of Labor and other institutions that provide worker training for Montana's workers and businesses by helping to identify areas where worker shortages may occur or where additional worker training is needed. For example, the 2006-2016 occupational employment projections produced by the Bureau indicate an annual growth rate of 1.9% for health care occupations, with new job growth of about 800 jobs per year. Although these projections likely overstate job growth in the near term due to the recent economic downturn, the labor availability study indicates that a significant number of Montana workers are willing to be retrained to become healthcare workers. Over 102,300 workers indicated that they would be willing to be retrained into the health care occupations, welcome news for health care providers struggling to keep up with increased demand.

Table 1: 10-year Employment Projections matched with Available Worker Supply Data from the MLAS

General Occupation from MLAS	Matching Occupation or Industry from BLS data	Projected Annual Job Growth	Projected Annual Replacements	Total Annual Job Needs	Number of Workers	% of available worker supply
Energy Production*	Includes Industries of 21 Mining, 22 Utilities, 324 Petroleum and Coal Product Manufacturing, and 486 Pipeline Transportation	320	n.a.	n.a.	104,100	39.9%
Construction Trades	47-0000 Construction and Extraction Workers minus 47-5000 Extraction Workers	1,067	697	1,764	89,800	34.5%
Health Services	29-0000 Healthcare Practitioners and Technical Occupations plus 31-0000 Healthcare Support Occupations	800	602	1,402	102,300	39.1%
Trucking or Transportation	53-0000 Transportation and Material Moving Occupations	427	672	1,099	48,500	18.6%
Teaching and Education	25-0000 Education, Training, and Library Occupations	435	550	985	108,500	41.5%
Machine Trades	49-0000 Installation, Maintenance, and Repair Occupations	401	373	774	84,800	32.5%
Production and Manufacturing in General	51-0000 Production Occupations	304	442	746	81,600	31.3%
Information or Computer Technology	15-0000 Computer and Mathematical Operations	152	128	280	125,700	48.2%
Welding or Metal Plant	51-4121 Welders, Cutters, Solderers, and Brazers	35	29	64	83,500	32.1%
Customer Service Call Center	43-2000 Communications Equipment Operators	0	12	12	70,400	27.0%

*Unlike the other functional areas on the list, the data for energy production is based on NAICS industry projections, rather than on occupational projections. Annual replacement data for industries is not available.
Source: The Available Labor Supply in Montana's Labor Markets Study and 10-year Occupational and Industry Projections, Research and Analysis Bureau, Montana Department of Labor and Industry



Table 1 matches the projected growth in selected occupations in Montana with the percentage of workers who would be willing to be retrained into the industry from the MLAS. For convenience, the MLAS used general descriptions for occupations, such as construction trades or machine trades. The projections are organized much more specifically into standard occupational or industry codes used by the Bureau of Labor Statistics (BLS); therefore, Table 1 displays the matching occupation in the BLS data. For example, the MLAS asked workers whether they would be willing to be retrained and work in the trucking and transportation sector. About 18.6% of the available workers indicated that this would be an acceptable sector for employment. The 53-0000 Transportation and Material Moving Occupations category best fits this sector. The 10-year projections produced by the Montana Department of Labor and Industry indicate that there will be significant need for truck drivers during the next ten years, with 427 new jobs being added each year. This occupation is also expected to have openings due to turnover of about 672 per year, making the total expected annual openings 1,099.

According to the MLAS, the largest percentage of available workers were interested in the information and computer technology occupations, even though there are only

280 expected openings for these types of jobs. Energy production and health services were the next most-popular areas for employment. These two areas are expected to have significant growth in the next few years, with 1,402 annual openings in the health care industry. Few individuals expressed interest in being trained as truck drivers despite the sizeable need for workers.

In order to switch into a different occupation or industry, workers will need to be trained for their new job with on-the-job training or more formal educational programs. The MLAS asked currently employed workers about the length of training they would be willing to undergo in order to prepare for a job in a new occupation. The results are shown in Table 2.

Table 2: Type of Training Desired, Percentage of the Employed Available Labor Supply from MLAS

On-the-job Training	44.9%
3 months or less	12.1%
4 to 18 months	12.1%
19 to 23 months	4.3%
2 to 4 years	15.8%
Over 4 years	4.1%
A formal apprenticeship with a Montana organized labor union or other organization	3.7%
None of these	2.9%

Over 97% of respondents indicated that they would be willing to undergo additional training. Most of these workers preferred shorter-term on-the-job training or formal training lasting three months or less.





Unfortunately, the majority of respondents indicated that on-going skill training was not a priority for employers or workers in Montana. Continual job training is an important component to increasing worker productivity and continuing wage increases in Montana, yet only 43.4% of employed available workers indicated that they had received job training in the past three years. Of those receiving training, 70.3% received technical training on computers or specific trade skills, 65.9% received safety training, and 63.1% received training on interpersonal skills such as communication and leadership.

The MLAS also asked available workers why they would choose to switch to a new job. Unsurprisingly, the majority of available workers indicated that increased pay would be the most important reason to switch – over 55% of currently employed workers willing to change jobs gave increased pay as their main reason to switch. Career advancement opportunities (13.6% of respondents) and increased benefits (10.2% of respondents) were also important considerations in job switching.

Table 3: Importance of Benefit in Switching Jobs, Percentage of the Employed Available Labor Supply

Benefit	Percent Indicating that the Benefit was "Very Important"
Health Insurance	83.3%
Retirement Plan	75.7%
Paid Vacation	71.1%
On-the-job Training	66.5%
Paid Holidays	64.8%
Sick Leave	56.8%
Increased Pay for Shift Work	43.7%
Flexible Work Hours	41.2%
Tuition Reimbursement	35.0%
Profit Sharing	32.6%
Child Care	19.2%

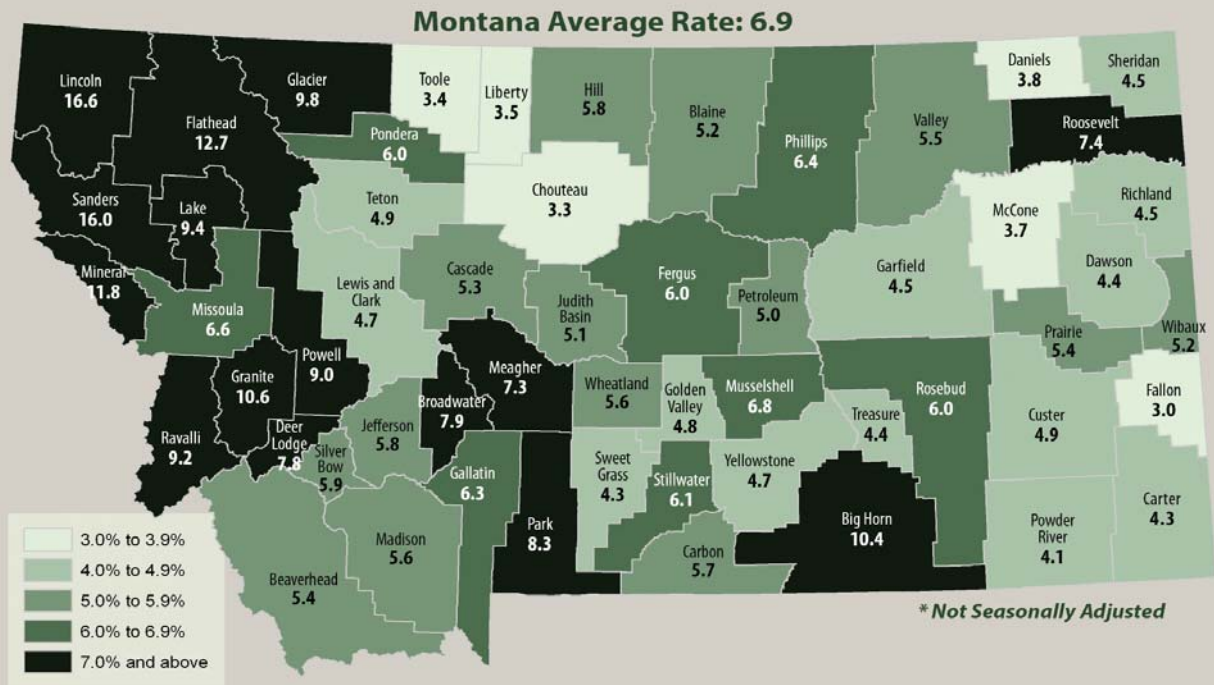
The MLAS asked workers what type of benefits were most important in their job selection choice. Table 3 shows the percentage of workers who indicated that the selected benefits were very important in their job decision. Over 83% of workers indicated that health insurance was very important in their job decision, with 75.7% of workers indicating that a retirement plan was a very important benefit.

Only 19.2% indicated that child care was a very important consideration, although this benefit is likely very important for the smaller population of workers with young children. Of those currently using child care, 33.5% reported problems with their child care. Over 39% reported problems finding affordable child care.

The MLAS provides important insight into the interests and requirements of the Montana labor supply that are helpful for economic developers, businesses, and workforce professionals. The full report includes additional demographic information on Montana's workers, including the minimum wages that workers would be willing to consider and information on the maximum commuting time for workers. The MLAS also provides breakdowns of the available labor force by specific regions of Montana and for the American Indian population. The full report can be found on our website at www.ourfactsyourfuture.org under "What's New."

Special thanks to The University of Montana's Bureau of Business and Economic Research and to Patrick M. Barkey, John Baldridge, and James T. Sylvester for their work on "The Available Labor Supply in Montana's Labor Markets."

County Unemployment Rates* - March 2009



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